

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4333-01
BILL NO.: Perfected HB 1881
SUBJECT: Roads and Highways
TYPE: Original
DATE: April 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State Road Fund	(\$7,392,450)	(\$7,614,223)	(\$7,842,650)
Total Estimated Net Effect on <u>All</u> State Funds	(\$7,392,450)	(\$7,614,223)	(\$7,842,650)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
City of St. Louis	\$1,655,000	\$1,704,650	\$1,755,790

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Transportation (MoDOT)** assume this legislation adds an additional 108 centerlane miles to the state road system (as classified by MoDOT, the U.S. Department of Transportation and the Federal Highway Administration as principal arterial highways). Section 227.020 states, "There is hereby created and established a statewide connected system of hard-surfaced public roads..., which shall be located, acquired, **constructed, reconstructed, and improved and ever after maintained** [emphasis added] as public roads, and the necessary grading, **hard-surfacing, bridges and culverts therefor shall be constructed** [emphasis added] by the state of Missouri. MoDOT interprets this language to say that any roads in the state road system are subject not only to maintenance, but also reconstruction and construction as MoDOT determines will deliver the best road system and ensure the safety of the traveling public.

MoDOT's District 6 office did a drive through of Grand Avenue in the City of St. Louis to assess the potential impact of incorporating this road and the remaining principal arterials into the state road system. MoDOT provided a spreadsheet detailing the annual fiscal impact of bringing the principal arterials up to state standards. The types of repairs and replacements include resurfacing, signal replacement, lighting replacement, sign replacement, sidewalk replacement, drainage and utility repairs, and landscaping. These also include routine maintenance like pothole patching and snow-plowing, additional full-time employees and additional equipment (trucks for hauling asphalt repairs, etc.). Finally, they have included costs for replacement of deficient bridges in the St. Louis area. The total annual cost for the next ten years is approximately \$17,585,138. After the bridges are replaced, there would be no more bridge replacement cost. Thereafter, annual average cost will be \$12,689,139 per year. This does not include the cost for inflation. Calculating inflation increases of 4% per year, the fiscal impact will be \$17,585,138 for FY01; \$18,288,544 for FY02; and \$19,020,085 for FY03. It should be noted that this figure does **not** include liability costs assumed by the MHTC for ownership of these roadways and sidewalks.

MoDOT further notes that annual average, non-interstate maintenance cost is \$2,504 per lane mile, and an annual average, non-interstate construction cost is \$8,869 per lane mile. The maintenance figures are based on maintenance expenditures in Fiscal Year 1998 and the construction figures are based on construction expenditures in Fiscal Year 1999. These figures would have to be adjusted for inflation. MoDOT assumes, for purposes of these annual expenditure costs, that these costs would be per lane mile. There are 108 centerlane miles of principal arterial highways in the City of St. Louis. MoDOT assumes that there are six lanes per

ASSUMPTION (continued)

principal arterial, with some arterials being four lanes and others eight lanes. Given this figure, they assume approximately 650 lane miles (108 centerlane miles x 6 lanes per mile = 648).

However, MoDOT asserts that limiting expenditures for these principal arterials will, at best, maintain these roads. It will not allow MoDOT in many cases to improve these roads to state standards, thereby defeating the assumed purpose of the proposal. The total maintenance cost per non-interstate highway lane mile for Missouri is \$2,504, calculated as follows:

Total state hwy. agency maintenance costs	\$216,997,000
Minus interstate maintenance costs	<u>54,342,000</u>
Total non-interstate maintenance costs	\$162,655,000
Total lane miles	70,236
Minus interstate lane miles	<u>5,289</u>
Total non-interstate lane miles for FY 98	64,947

$\$162,655,000 / 64,947 = \$2,504$ per non-interstate lane mile.

The total construction cost per non-interstate mile is \$8,869 per lane mile, calculated as follows:

Total non-interstate lane miles for FY 99	66,281.9
Total non-interstate construction expenditures for FY 99	\$587,865,000

Average non-interstate construction expenditure per lane mile = \$8,869 per lane mile.

Oversight assumes that the amendment to the original proposal would limit state expenditures for these roads to the average state expenditure for non-interstate roads. It does not specify the nature of costs included in the average figure. For fiscal note purposes, Oversight has reflected costs to MoDOT calculated by multiplying the number of lane miles (650) by the total average expenditure by MoDOT for non-interstate miles of \$11,373 (\$2,504 plus \$8,869). Assuming costs for the new state roads could not exceed average expenditures for non-interstate roads, costs are estimated to be \$7,392,450 annually, with adjustments for 3% inflation in subsequent years.

ASSUMPTION (continued)

Officials of the **City of St. Louis** note that the annual operating costs of maintaining 74 miles of arterial streets in the City totals \$905,000. This amount includes everything from the cost of signage, striping and signals to snow removal and street sweeping. In addition to the maintenance costs, the estimated cost of paving the 74 miles of arterial roads over a 20-year cycle (which is less than ideal) amounts to \$750,000 per year. The combined cost for these arterial streets therefore amounts to an estimated \$1,655,000 annually. **Oversight** has reflected this amount as annual cost savings for the City of St. Louis. Oversight notes that the total road miles assumed to be affected by the City of St. Louis differs from the total assumed by MoDOT, but has reflected the costs submitted by the City in the fiscal note.

	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			

STATE ROAD FUND

<u>Costs-Department of Transportation</u>			
Maintenance and other costs	<u>(\$7,392,450)</u>	<u>(\$7,614,223)</u>	<u>(\$7,842,650)</u>

	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			

CITY OF ST. LOUIS

<u>Savings</u> - reduced costs for road maintenance	<u>\$1,655,000</u>	<u>\$1,704,650</u>	<u>\$1,755,790</u>
---	--------------------	--------------------	--------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

L.R. NO. 4333-01
BILL NO. Perfected HB 1881
PAGE 5 OF 5
April 18, 2000

DESCRIPTION

The proposal would include all principal arterial highways in the City of St. Louis in the state road system. State expenditures would not exceed the average state expenditure for non-interstate roads.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
City of St. Louis

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA
Director
April 18, 2000